

Message Text

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SUBJ: EXPORT LICENSES FOR SPARE PARTS FOR PREVIOUSLY-LICENSED
COMPUTER SYSTEMS

1. IN RECENT WEEKS, REPRESENTATIVES OF SEVERAL U.S. COMPUTER FIRMS WHICH HAVEHAD CONSIDERABLE SUCCESS ON SOVIET MARKET (KEWLETT-PACKARD, DEC, BURROUGHS, WANG, ENTREKIN ETC), HAVE RAISED WITH COMMERICAL OFFICE CONSIDERABLE DIFFICULTIES WHICH THEY ARE ENCOUNTERING IN OBTAINING EXPORT LICENSES FOR SPARE PARTS FOR COMPUTER SYSTEMS THEY PREVIOUSLY SOLD TO SOVIETS. IN SOME CASES, DELAYS IN OBTAINING EXPORT LICENSES FOR RELATIVELY SMALL ORDERS OF SPARE PARTS HAVE RUN AS LONG AS FOUR-SIX MONTHS. HEWLETT-PACKARD REPS ADVISED COMMATT JUNE 19 THAT ORDER FOR DOLS 1,000 WORTH OF SPARES FOR TWO H-P SYSTEMS INSTALLED AT MOSCOW'S KURCHATOV INSTITUTE, WHICH WAS SIGNED AT END OF APRIL, WOULD PROBABLY REQUIRE AS LONG AS THREE MONTHS TO WORK ITS WAY THROUGH LICENSING PROCESS. H-P REPS SAID THEY BELIEVED ACTUAL LICENSE APPLICATION HAD BEEN FILED DURING FIRST HALF OF MAY. WE HAVE PREVIOUSLY REPORTED DIFFICULTIES ENCOUNTERED BY ENTREKIN COMPUTERS (DIVISION
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OF CUTTLER-HAMMER) WITH ITS SYSTEMS INSTALLED AT GAZ AUTOMOBILE

PLANT WHERE EXTREME VOLTAGE FLUCTUATIONS RESULTED IN VERY HEAVY REQUIREMENTS FOR REPLACEMENT PARTS. IN GENERAL, WE WOULD ASSUME THAT REQUIREMENTS FOR SPARE PARTS FOR WESTERN COMPUTER SYSTEMS INSTALLED IN USSR WILL TEND TO BE HIGHER THAN FOR ANALOGOUS SYSTEMS INSTALLED IN WESTERN EUROPE AND U.S. DUE TO POORER OPERATING CONDITIONS AND LACK OF CONTINUING SERVICE FROM OEM SUPPLIER.

2. COMMENT: EMBASSY REALIZES THAT MOSCOW-BASED REPRESENTATIVES OF U.S. COMPUTER COMPANIES SOMETIMES EXAGGERATE THEIR PROBLEMS WITH EXPORT LICENSES AND ARE SOMETIMES UNAWARE OF DELAYS BY THEIR CORPORATE HEADQUARTERS IN SUBMITTING LICENSE APPLICATIONS. NONETHELESS, SPARE PARTS PROBLEM FOR COMPUTER SYSTEMS DOES SEEM TO BE SERIOUS MATTER OVER COMING PERIOD, ASSUMING NO MAJOR TIGHTENING IN OUR OVERALL LICENSING POLICY, EXPORTS OF COMPUTER EQUIPMENT SHOULD BE ONE OF MOST IMPORTANT ITEMS IN U.S. SALES TO USSR. HOWEVER, IF SOVIETS FIND THAT U.S.-MADE SYSTEMS ARE DOWN FOR LONG PERIODS DUE TO LACK OF SPARE PARTS, THIS CAN ONLY SERVE TO COMPLICATE SALES EFFORTS BY U.S. COMPANIES. CONSEQUENTLY, EMBASSY RECOMMENDS THAT INTERESTED WASHINGTON AGENCIES CONSIDER POSSIBILITY OF ESTABLISHING SYSTEM UNDER WHICH REASONABLE QUANTITY OF REPLACEMENT PARTS WILL BE AUTOMATICALLY APPROVED FOR SUBSEQUENT DELIVERY TO USSR, ACCORDING TO AGREED SCHEDULE, AT TIME WHEN ORIGINAL EXPORT LICENSE IS ISSUED. FOR SPARE PART DELIVERIES IN EXCESS OF AGREED LEVEL, U.S. COMPANY WOULD BE REQUIRED TO COME BACK TO COMMERCE FOR SEPARATE AUTHORIZATION.

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